BPR Relationship with SI & Outsourcing

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U.S. Business Integration Program

BPR Relationship with SI & Outsourcing

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BPR Definition

"Business process reengineering is the fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical, contemporary measures of performance, such as cost, quality, service, and speed."

Hammer & Champy

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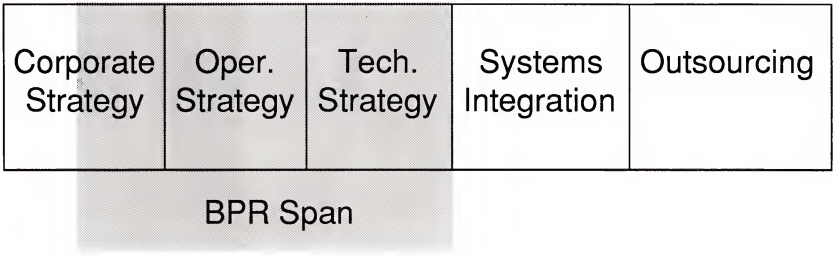
BPR in the Services Spectrum



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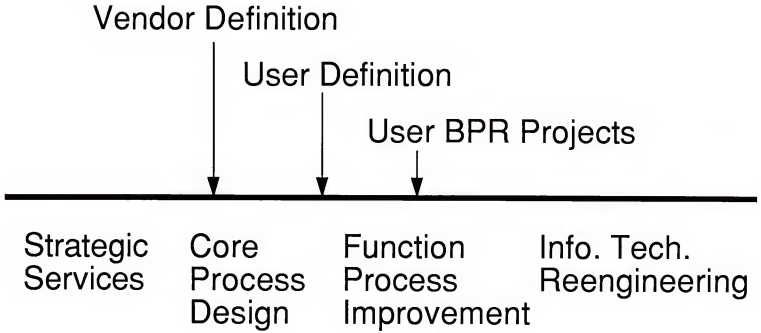
BPR Definition Gap



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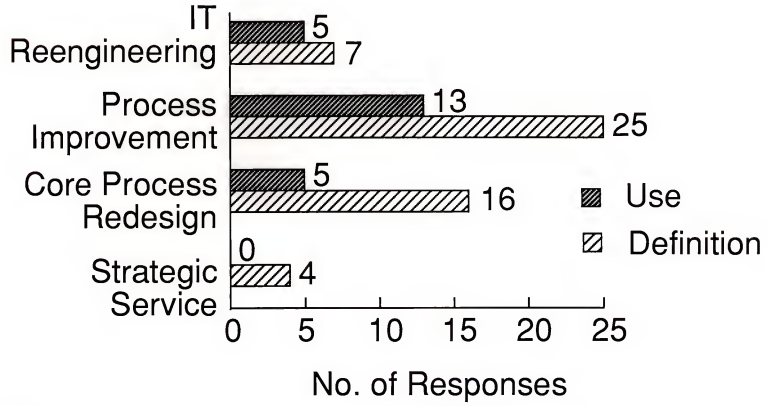
Users' Definitions of BPR



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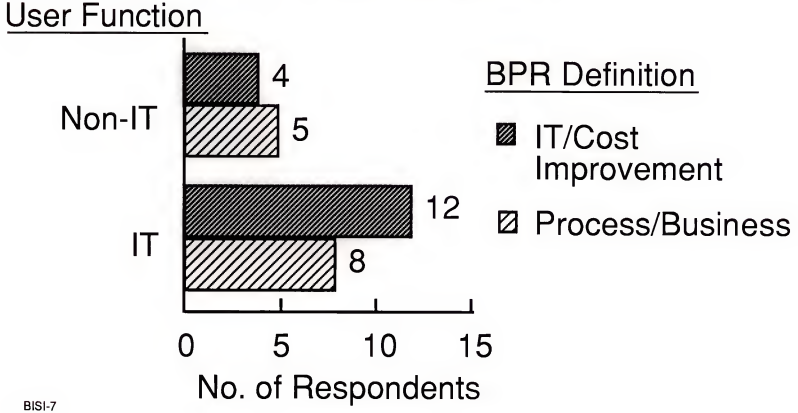
User Functions Influence BPR Definition



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Comparison of BPR and SI Project Attributes

BPR Project Characteristics	SI Project Characteristics
Major change	Incremental change
Cross function	Single function
Executive-level attention	Departmental project
Core process-related	Funct. process focus

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Impact on Existing SI Projects

- Slowed and/or scrapped
- Put on hold
- Reworked or canceled
- Re-architect
- Redesigned

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BPR Changes the Nature of SI Projects

- Project scope
- Ease of implementation
- Increased payback

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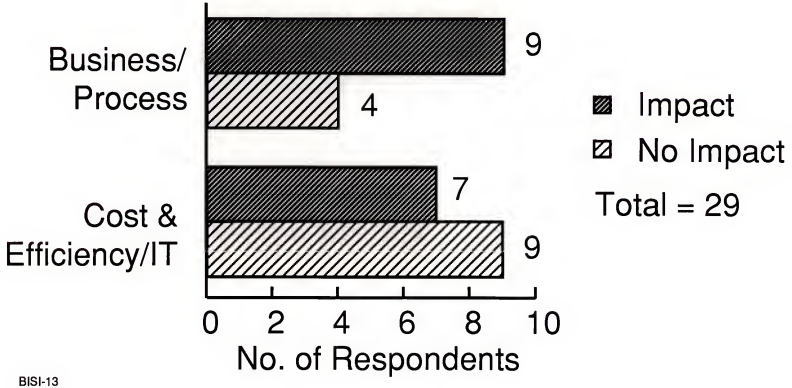
BPR Definition vs. Impact on SI Projects



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Impact on Technology Skills

- Wide range of technical knowledge
- Design of complex systems
- Rapid development techniques
- Rapid deployment techniques

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Impact on People Skills

- Depth of experience
- Executive-level communication ability
- Enhanced project management
- Capable of creative thought

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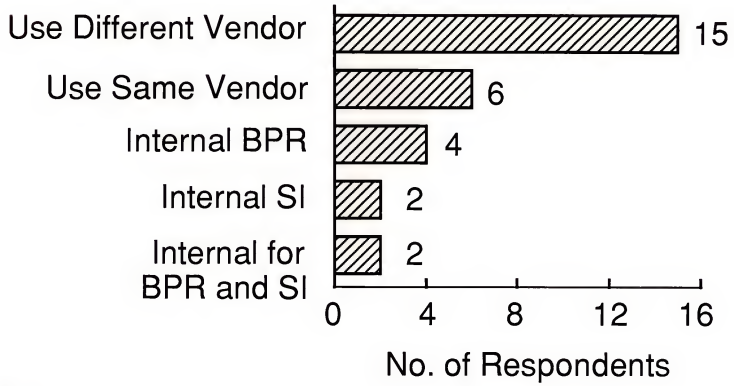
Vendor Usage for BPR and SI



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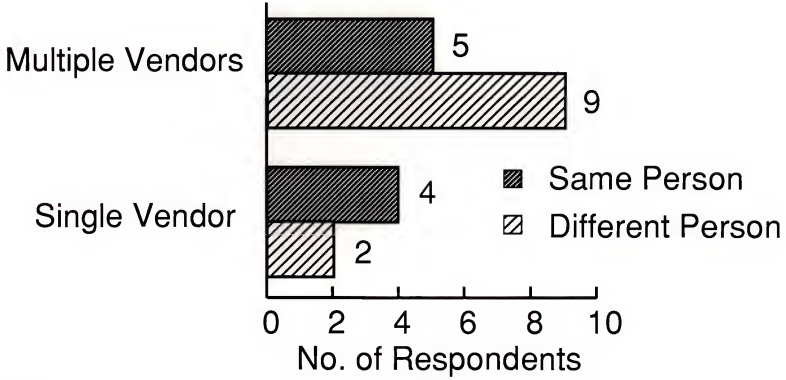
Responsibility for Selection of BPR and SI Vendors



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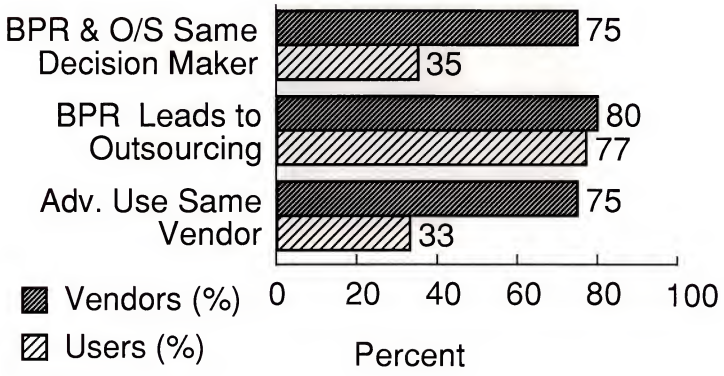
User & Vendor Views in Outsourcing



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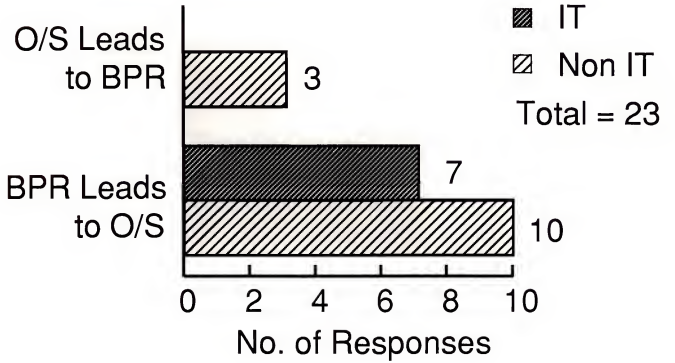
BPR Leads to Outsourcing



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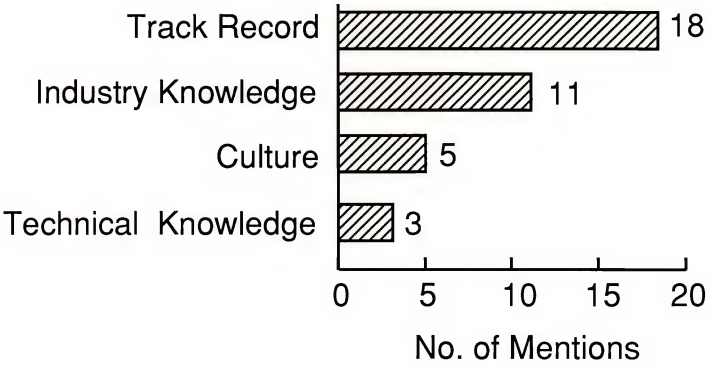
User Requirements of BPR Vendors



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Top BPR Vendors

Users	Vendors
Andersen	Andersen
CSC	Ernst & Young
Price Waterhouse	CSC Index

Top = Most mentioned

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Top SI Vendors

Users	Vendors
Andersen	Andersen
CSC	EDS
IBM/ISSC	ISSC
EDS	SHL Systemhouse

Top = Most mentioned

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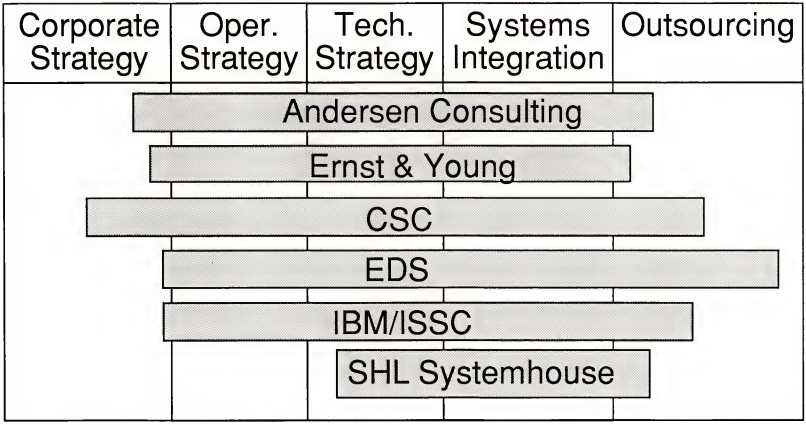
Services Spectrum



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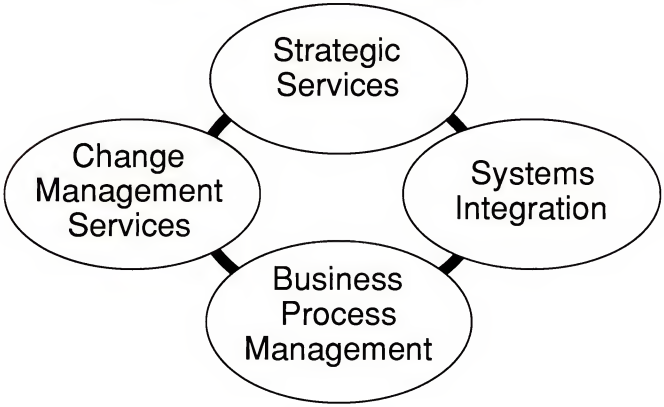
Andersen Consulting Service Lines



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Implications for SI Vendors

- Leverage existing SI projects
- Use these characteristics in partner selection

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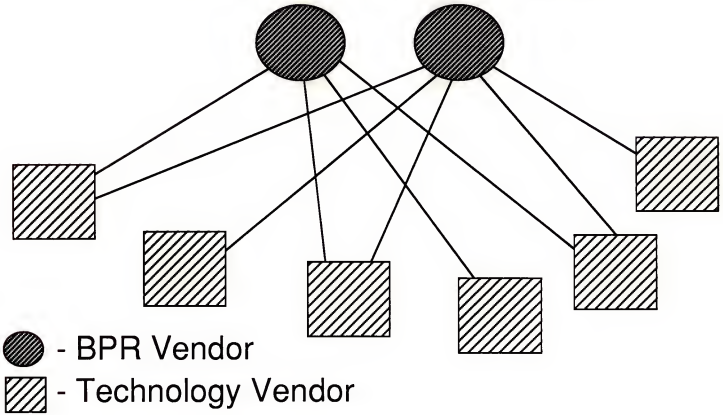
Vendor Relationships



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Service Range Considerations

- Full range of services is differentiator but not selection criteria
- Niche service providers for specialized services
- Partial range of services requires forming alliances
- Market for BPR training and facilitation

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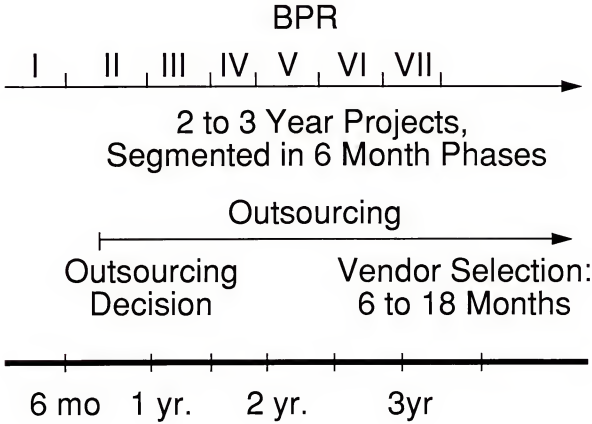
BPR/Outsourcing Timeline



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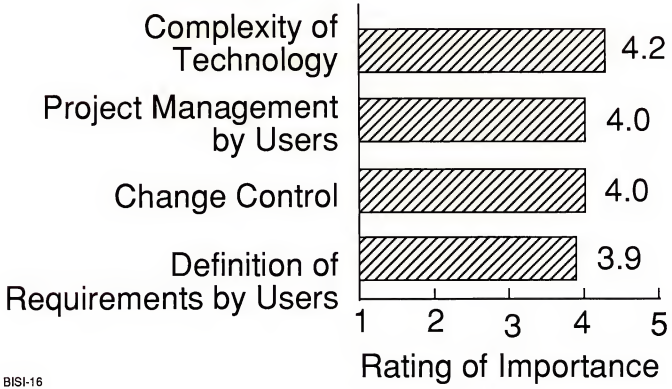
Vendor Ratings of Key Risk Factors



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Vendor Considerations

- Risk
- Skills
- Pricing
- Sales
- Positioning
- Partnerships

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- **Software and Services Vendors**
- **U.S. Federal Government**
  - Procurement Plans (PAR)
  - Forecasts
  - Awards (FAIT)
- **Commercial Application (LEADS)**

CUSTOM PROJECTS

For Vendors—analyze:

- **Market strategies and tactics**
- **Product/service opportunities**
- **Customer satisfaction levels**
- **Competitive positioning**
- **Acquisition targets**

For Buyers—evaluate:

- **Specific vendor capabilities**
- **Outsourcing options**
- **Systems plans**
- **Peer position**

OTHER SERVICES

Acquisition/partnership searches

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